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**LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA**

FINANCIAL REPORT

June 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 01-03-01

Provost
Salter
Harper
Alford LLC

Certified
Public
Accountants

Business
Advisors

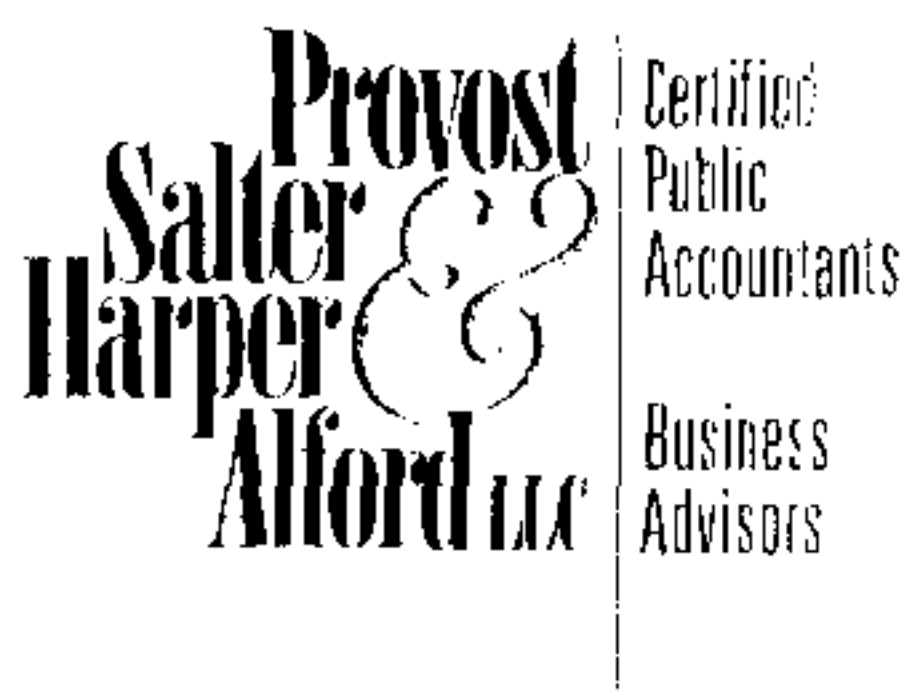
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LEGISLATIVE FISCAL OFFICE

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June 30, 2000

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Honorable John Hainkel, Co-Chair
Honorable Charles DeWitt, Co-Chair
Legislative Budgetary Control Council
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Legislative Fiscal Office, State of Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the Legislative Fiscal Office's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Legislative Fiscal Office, State of Louisiana, are intended to present the financial position and results of operations of only that portion of the financial reporting entity of the State of Louisiana.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Legislative Fiscal Office, State of Louisiana, as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2000 on our consideration of the Legislative Fiscal Office, State of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.

December 18, 2000

LEGISLATIVE FISCAL OFFICE**Combined Balance Sheet - Fund Type and Account Groups****June 30, 2000**

		Account Groups		
	Governmental	General	General	Totals
	Fund Type	Fixed	Long-Term	(Memorandum
ASSETS AND OTHER DEBIT	General	Assets	Obligation	Only)
Assets				
Cash in bank	\$ 80,103	\$ -	\$ -	\$ 80,103
Furniture, fixtures and equipment	-	251,944	-	251,944
Other debit				
Amount to be provided for compensated absences	-	-	124,010	124,010
Total Assets and Other Debit	\$ 80,103	\$ 251,944	\$ 124,010	\$ 456,057
LIABILITIES, FUND EQUITY AND OTHER CREDIT				
Liabilities				
Accounts payable	\$ 48,289	\$ -	\$ -	\$ 48,289
Due to state treasury	31,814	-	-	31,814
Compensated absences	-	-	124,010	124,010
Total liabilities	80,103	-	124,010	204,113
Fund Equity and Other Credit				
Investment in general fixed assets	-	251,944	-	251,944
Fund balance	-	-	-	-
Total fund equity and other credit	-	251,944	-	251,944
Total Liabilities, Fund Equity and Other Credit	\$ 80,103	\$ 251,944	\$ 124,010	\$ 456,057

LEGISLATIVE FISCAL OFFICE**Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Fund Type - General Fund****Year Ended June 30, 2000****Revenues**State appropriations \$ 1,472,943**Expenditures**

Personal services 1,293,426

Travel 33,627

Operating services 46,823

Supplies 1,774

Capital outlay 65,479Total expenditures 1,441,129**Excess of Revenues Over Expenditures** 31,814**Other Financing Use**Transfer to State Treasury, general fund (31,814)**Excess of Revenues Over Expenditures And Other Financing Use** -**Fund Balance**Beginning -Ending \$ -

LEGISLATIVE FISCAL OFFICE***Statement of Revenues, Expenditures and******Year Ended June 30, 2000******Changes in Fund Balance******Budget (Legal Basis) and Actual - General Fund***

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
State appropriations	\$ 1,472,943	\$ 1,472,943	\$ -
Expenditures			
Personal services	1,351,750	1,293,426	58,324
Travel	24,000	33,627	(9,627)
Operating services	51,693	46,823	4,870
Supplies	9,000	1,774	7,226
Capital outlay	36,500	65,479	(28,979)
Total expenditures	1,472,943	1,441,129	31,814
Excess of Revenues Over Expenditures	-	31,814	31,814
Other Financing Use			
Transfer to State Treasury, general fund	-	(31,814)	(31,814)
Excess of Revenues Over Expenditures and Other Financing Use	-	-	-
Fund Balance			
Beginning	-	-	-
Ending	\$ -	\$ -	\$ -

LEGISLATIVE FISCAL OFFICE

Notes to Financial Statements

June 30, 2000

1. Summary of Significant Accounting Policies

The Legislative Fiscal Office, created by Title 24, Chapters 601 through 605 of the Louisiana Revised Statutes provides research and technical assistance concerning fiscal matters for the Legislative branch of government.

Governmental accounting principles and practices are promulgated and established by the Governmental Accounting Standards Board (GASB). The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such pronouncements.

Financial Reporting Entity. Application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the Legislative Fiscal Office) to be the State of Louisiana. The accompanying financial statements of the Legislative Fiscal office contain sub-account information of the General Fund and account groups of the State of Louisiana. Annually, the State of Louisiana issues financial statements, which include the activity contained in the accompanying financial statements.

Fund Accounting. The Legislative Fiscal Office uses fund accounting (separate sets of self balancing accounts) to reflect the sources and uses of available resources and the budgetary restrictions placed on those funds by the Louisiana Legislature. The fund and account groups presented in the accompanying financial statements, and as described below, comprise the General Fund and account groups of the Legislative Fiscal Office.

Governmental Fund Type

General Fund. The General Fund is used to account for all of the Legislative Fiscal Office's general activities, including the acquisition of general fixed assets and the servicing of general long term debt. It is used to account for all activities of the Fiscal Office.

Account Groups. The account groups are a reporting device designed to provide accountability for certain long-term assets and liabilities that are not recorded in the funds because they do not directly affect net expendable, available financial resources.

Basis of Accounting. Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

LEGISLATIVE FISCAL OFFICE

Notes to Financial Statements, Continued

June 30, 2000

Revenues. The governmental fund is accounted for using the modified accrual basis of accounting. The revenues are recognized when they become measurable and available. The revenues susceptible to accrual are state appropriations.

Expenditures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Fixed Assets. The accompanying statements reflect furniture, fixtures and equipment used by the Legislative Fiscal Office and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost in the General Fixed Asset Account Group. Fixed assets are not depreciated.

The accompanying statements do not include the value of land and buildings provided without cost to the Legislative Fiscal Office by the State of Louisiana. Those assets are recorded with the annual financial statements of the State of Louisiana.

Budgetary Practices. The Legislative Fiscal Office is required to submit to the Legislative Budgetary Control Council an estimate of the financial requirements for the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for his signature. The Legislative Fiscal Office is authorized to transfer budget amounts between accounts in the General Fund. Revisions which alter total appropriations must be approved by the Legislature. The level of budgetary responsibility is by total appropriation. All annual appropriations lapse at fiscal year end and require that all unexpended funds must be returned to the State General Fund.

Leave Benefits. Accumulated unpaid annual, sick and compensatory leave are reported in the General Long-Term Obligation Account Group within the accompanying financial statements. The Office's employees accrue unlimited amounts of annual and sick leave at varying rates as established by the Office's personnel manual. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave are credited as earned service in computing retirement benefits.

Furthermore, employees earn compensatory leave for hours worked in excess of 40 hours per work week. The compensatory leave may be used similarly to annual or sick leave. At June 30, 2000, the combined total of annual leave and compensatory leave of up to 300 hours, for which employees could be paid upon resignation or retirement, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.105, total \$124,010.

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Notes to Financial Statements, Continued

June 30, 2000

The following are the changes in compensated absences (and general long term obligation) during the year.

<u>Balance, July 1, 1999</u>	<u>Net Change</u>	<u>Balance, June 30, 2000</u>
\$ 108,758	\$ 15,252	\$ 124,010

Total Column on Balance Sheet. The total column on the balance sheet overview is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. Retirement System

Plan Description. Substantially, all employees of the Legislative Fiscal Office participate in the Louisiana State Employees Retirement System (LASERS), a cost sharing, multiple-employer defined benefit pension plan administered by a separate Board of Trustees. LASERS provides retirement, disability and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. Benefits are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. LASERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana, 70804-4213, or by calling (225) 922-0600.

Funding Policy. Plan members of the Legislative Fiscal Office are required by state statute to contribute 7½% of their annual covered salary and the Fiscal Office (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 12.3% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and amended by state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contributions is funded by the State of Louisiana through the annual legislative appropriation. The Fiscal Office's employer contributions to LASERS for the years ending June 30, which were equal to the required contributions for each year, were as follows.

<u>June 30,</u>	
2000	\$ 135,982
1999	131,694
1998	124,331

LEGISLATIVE FISCAL OFFICE

Notes to Financial Statements, Continued

June 30, 2000

3. Furniture, Fixtures and Equipment

At June 30, 2000, the Legislative Fiscal Office had an inventory totaling \$251,944 of furniture, fixtures and equipment or movable property. The following summarizes transactions during the year.

	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
Furniture, fixtures and equipment	\$ 215,206	\$ 57,333	\$ 20,595	\$ 251,944

4. Cash In Bank

Under State law, the Legislative Fiscal Office may deposit funds in an approved bank located in the state. These public deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. The bank deposits at June 30, 2000 are as follows.

	Carrying Balance	Bank Balance	FDIC Insurance
Cash in bank	\$ 80,103	\$ 105,252	\$ 116,690

5. Litigation, Claims and Similar Contingencies

Losses arising from litigation, claims and similar contingencies are considered state liabilities and are paid by special appropriations made by the Louisiana Legislature. Any applicable litigation, claims and similar contingencies are not recognized in the accompanying financial statements.

6. Other Costs

The State of Louisiana, through other appropriations, provides office space, utilities and janitorial services for the office facilities, all of which are not included in the accompanying financial statements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable John Hainkel, Co-Chair
Honorable Charles DeWitt, Co-Chair
Legislative Budgetary Control Council, State of Louisiana
Baton Rouge, Louisiana

We have audited the financial statements of the Legislative Fiscal Office, State of Louisiana, as of and for the year ended June 30, 2000, and have issued our report thereon dated December 18, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance.

As part of obtaining reasonable assurance about whether the Legislative Fiscal Office, State of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting.

In planning and performing our audit, we considered the Legislative Fiscal Office, State of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal

control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Legislative Auditor and the Legislative Budgetary Control Council and is not intended to be and should not be used by anyone other than these specified parties.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.

December 18, 2000

LEGISLATIVE FISCAL OFFICE

***Independent Auditor's Comments on Resolution
Of Prior Audit Findings***

Year Ended June 30, 2000

There were no prior year audit findings for which the Legislative Fiscal Office has not implemented the corrective action recommended.